



Agenda Item #: _____

Staff Report

City of Manhattan Beach

TO: Honorable Mayor Montgomery and Members of the City Council

THROUGH: Geoff Dolan, City Manager

FROM: Richard Thompson, Director of Community Development Department
Carol Jacobson, Building Official

DATE: June 17, 2008

SUBJECT: Consideration of a Three Year Contract for Document Imaging Conversion Services with Anacomp, Inc., in the Amount of \$185,200

RECOMMENDATION:

Staff recommends that the City Council authorize the City Manager to enter into a three year contract for document imaging conversion services with Anacomp, Inc. (RFP #793-08) in the amount of \$185,200.

FISCAL IMPLICATION:

The three-year contract for document imaging conversion services in the Community Development, Human Resources, and Public Works Departments is \$185,200. Adequate funds are available in the current year budget to convert existing records, as well as newly created documents, to digital format. Funds will be requested in future year budgets for on-going activity.

BACKGROUND:

The Community Development Department has a mixture of records retention methods. There are an estimated 1.5 million images currently stored on microfiche. The current process to create microfiche is being phased out by the industry and utilizes hazardous chemicals that are not environmentally friendly. As a result, since May 2005, all paper documents have been scanned into digital format and stored in a database on a City server and are available for viewing via desktop computer. Additionally, we have existing hard-copy, or paper documents that are in need of being converted into digital format.

In May 2007, the City entered into an agreement with Matrix Imaging Services to provide conversion of microfiche and paper documents. Unfortunately, there were numerous issues with the services. These included poor quality control, turnaround time, invoice issues, problems integrating with the city-wide retrieval system, lack of follow-up regarding written procedures, and changes of delivery time with little or no notification. In March 2008, the City terminated the agreement. Despite the problems, 300,000 images were successfully converted and currently can be accessed through the Liberty Net retrieval software.

To begin the process of finding a replacement contractor to Matrix, staff reviewed all of the original proposals and determined that the 2006 Request for Proposal (RFP) had changed in scope and needs. The original RFP required a retrieval of records system. However, the City opted to use and enhance the existing city-wide retrieval system, called Liberty Net. Additionally, Public Works, as well as Human Resources, have microfiche in need of conversion to digital documents. Thus, the City revised and sent out new proposals to include these services in April 2008.

After payment to the previous vendor, Community Development Department has \$184,440 remaining from the original \$210,000 budgeted for this program. It is estimated that it will take about one year to scan all the historical microfiche records and complete the conversion process into the retrieval system. This contract will continue then for microfiche conversion in the Human Resources and Public Works Departments.

The Human Resources Department has an estimated 200,000 images of data stored on microfiche. Human Resources is required to archive certain personnel, workers' compensation and liability files. They have \$11,500 budgeted for conversion. The Public Works Department has approximately 280,000 microfiche images that need to be converted to digital documents and has \$5,000 budgeted to convert these records. Total budget available for all three departments is \$200,940. The remaining funds will cover the needs for all three departments.

DISCUSSION:

Staff conducted meetings with Public Works - Engineering Division; Finance Department – Information Systems (IS), City Clerk’s Office, and Human Resources Department. Based on those discussions, a Request for Proposal was developed and distributed in April 2008. There were 7 responses to the RFP. Three proposals were determined to meet the parameters of our requirements and deemed worthy of further consideration. The balance of the proposals were either incomplete, did not meet our needs, or were estimated to be well above the budgeted amount. Staff met with the top three bidders for presentations and follow up questions. Below is a summary of comments regarding the bids, references, and presentations.

Name	Cost	Concerns & Comments
Anacomp, Inc	\$185,200	<ul style="list-style-type: none"> • Excellent references – very detailed-oriented to ensure best method for scanning and indexing, accurate billing, very good turnaround, extensive weekly reports • Good-sized on-site staff w/ security, bonding, background check experience • Can accommodate larger plan sizes • Transportation drivers bonded • Detailed “chain of custody” process, assuring documents picked up are same returned • Strong confidentiality and security measures
Data Impact Solutions	\$160,000	<ul style="list-style-type: none"> • References noted problems with pre-billing before work complete and slow turnaround • Few government users, especially building plan conversion • Good confidentiality and security process

Convert-A-Doc	\$119,000	<ul style="list-style-type: none"> • All staff for confidential records through temporary agency • References noted concerns with attention to detail, poor images, slow turnaround, problems with conversion into Liberty Net system • No “chain of custody” procedures to ensure that documents picked up are the same that are returned • Maximum plan size limited to 42”
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Because this is a service contract, vendor selection is based upon many factors: prior experience, expertise, quality control, warranty, references, and cost. Anacomp, Inc. excelled in each of these areas. References indicated that not only were they satisfied with their work, many have utilized Anacomp’s services for other projects. Comments included that Anacomp’s weekly reports were extensive and detailed. Two references praised Anacomp for their exacting methods to understand the client’s needs with successful results. Invoices are itemized, accurate, and on time. References included Los Angeles Planning Department, San Diego County Assessor’s Office, and City of Inglewood Planning and Police Departments.

Therefore, staff recommends that Council award Anacomp, Inc. a three-year contract for the estimated value of \$185,200. Staff requests that City Council authorize the City Manager to enter into a contract with Anacomp. In addition, the City may cancel the contract at any time without cause if necessary.

When the departments migrate their data to digital format, the microfiche readers will be eliminated. Additionally, having a consistent methodology for data retrieval throughout the City makes sense. This approach, currently being utilized by the City Clerk’s Office, and now proposed for Community Development, Public Works, and Human Resources, is much more flexible and efficient than the current data storage and retrieval processes.